

TIMOTHY H. BISHOP
1ST DISTRICT, NEW YORK

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

COMMITTEE ON EDUCATION
AND THE WORKFORCE

Congress of the United States
House of Representatives
Washington, DC 20515-3201

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July 21, 2003

The Honorable William Thomas
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Charles Rangel
Ranking Member
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Chuck Grassley
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Max Baucus
Ranking Member
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Conferees:

On behalf of myself and the thousands of seniors in my district, I am writing to urge you to consider certain provisions to the prescription drug and Medicare reform legislation (HR 1 & S 1) as the bills are considered by the Conference Committee.

First and foremost, I would like to express my strong support for the changes to the Medicare + Choice reimbursement formula which were included in HR 1. The provision would begin to restore equity in reimbursement rates through Medicare to HMO's and hospitals in my area. As seniors from all across my district and on Long Island can tell you, Medicare + Choice has been a failed program due to insufficient reimbursement rates. As a consequence, HMO's have abandoned the area, leaving seniors with outrageous increases in premiums and deductibles compared to neighboring areas. These increases are unfair and unacceptable. I ask that you do everything possible to ensure that the provisions addressing the Medicare + Choice crisis are included in the final version of the bill.

I also ask that you take whatever steps are necessary to ensure that the estimated 15,000 seniors in my district who currently depend on New York's Elderly Pharmaceutical Insurance Coverage (EPIC) program are not forced to depend on weaker benefits as a result of any legislation coming out of conference. For years the EPIC program has provided New York's most vulnerable seniors with a substantial drug benefit. Thus, I am asking you to protect the EPIC program and stand against any provision that would have the effect of weakening the program and its benefits.

I would urge that you remove the 0.4% reduction in the hospital and home care marketbasket update, which is included in HR 1. This reduction in the marketbasket update could mean an addition \$12 million dollars in cuts to already financially strapped hospitals in my district. I ask that you repeal these cuts in the final version of the bill.

In addition, I strongly encourage you to adopt a provision in the Senate bill which would maintain IME funding for teaching hospitals at 6.5%. The reduction of IME funding from 6.5% to 5.5%, which took place in October of last year, has meant a loss of almost \$4 million annually for the teaching hospital in my district. I ask that the Senate language restoring the 6.5% IME funding be incorporated in the final legislation.

Finally, a great many of my constituents are troubled over a provision in the House bill that would set up direct competition between private providers and the traditional fee for service Medicare program as of 2010. They fear, as do I, that this provision could signal the end of Medicare as a defined benefit entitlement program, and would convert it to a voucher program with no guaranteed benefit. I ask that you take whatever steps necessary to ensure that Medicare remains a defined benefit entitlement program.

As the Conference Committee meets to develop a consensus Medicare proposal, I ask that you take my concerns and recommendations into consideration, as they have a direct impact on the lives of constituents in my district. I thank you for your time and work on this very important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Bishop', with a stylized flourish at the end.

Timothy Bishop
Member of Congress